BRITISH COLUMBIA

BC STATS Infoline

Issue: **98-40** **6** Pages
October 9, 1998

tel (250) 387-0327
fax (250) 387-0329

All issues since 97-01 are on our website:
http://www.bcstats.gov.bc.ca

highlights

a weekly digest of recently released British Columbia statistics

Labour Force

- **British Columbia's unemployment rate fell 0.3 percentage points to 8.3% (seasonally adjusted) in September.** This is the fourth consecutive month this rate has declined, for a total of 1.4 percentage points. The number of employed British Columbians increased 0.6% from the previous month while the labour force grew by 0.2%.

  Employment (unadjusted) increased in all provinces since September 1997, with the exception of Saskatchewan (-0.1%). The number of employed in British Columbia increased 1.6%, as compared to Alberta (3.2%), Ontario (3.1%), Quebec (2.4%) and New Brunswick (2.0%).

  Source: *Statistics Canada*

- **Within British Columbia, regional unemployment rates reflect the varying labour market conditions.** The Kootenay region, despite having one of the highest unemployment rates (10.9% in September), also had the highest (7.1%) year-to-date employment growth. The Cariboo (3.4%) and Thompson-Okanagan (3.1%) also showed strong employment growth (year-to-date from the previous year).

  Source: *Statistics Canada*

The Economy

- **BC's help-wanted index, which measures the number of help-wanted ads in newspapers, fell from 124 (1996=100) to 122 between August and September.** Nationally, the help-wanted index was unchanged at 144. The number of help-wanted ads declined in four of the provinces: BC, Alberta (-1 percentage point, to 154), Saskatchewan (-1, to 135) and Nova Scotia (-1, to 137). *Source: Statistics Canada*

- **The value of building permits issued by BC municipalities rose 4.0% (seasonally adjusted) between July and August, as a rebound in planned residential projects (+38.2%, to $275.6 million) offset a 22.6% decline (to $199.2 million) in non-residential permits.** The increase in residential permits, which was the highest since June 1996, was mainly due to major construction plans for condominiums and apartment buildings in metropolitan Vancouver. Residential permits in the province have been on a roller-coaster ride since the beginning of the year. They were down 17.0% in July, and year-to-date were 21.0% lower than in the first eight months of 1997. However, non-residential permits increased almost as much (+19.1%) during this period. The total value of building permits issued in BC so far this year was 8.1% lower than in 1997.

  Nationally, the value of residential building permits gained steam for the first time in five months, rising 2.5%. Residential permits issued were up 6.4%, but the value of planned non-residential projects dipped 1.3%. The residential sector was strong in most parts of the country, with growth rates as high as 53.1% in Saskatchewan. Newfoundland (-36.2%), Alberta (-6.4%) and New Brunswick (-3.9%) were the only provinces where the value of residential permits declined between July and August.

  Source: Statistics Canada

- **The number of housing starts in British Columbia continued to drop in September, falling to 4.0% (seasonally adjusted) below the August level.** The decline in housing starts was the third in as many months. Nationally, the number of starts was down 1.4%, as starts fell in seven provinces. PEI (-60.0%) and New Brunswick (-29.6%) posted the largest declines.

Report **Chinese Presence Emerges on World Trading Scene**

Did you know...?

Vancouver isn't the wettest city in Canada. That dubious distinction belongs to St John's, Newfoundland, which averages 216 wet days a year. Quebec City comes in second (178), followed by Vancouver, with an average of 165 wet days yearly. Victoria (153) is a distant seventh.

Housing starts rose in all three prairie provinces, surging ahead 33.3% in Manitoba and 30.8% in Saskatchewan. Alberta (+3.7%) recorded a much more modest increase.

Source: Canada Mortgage and Housing Corporation

Crossing The Low-Income Line

- **In 1994, an estimated 137,000 British Columbians (4.1%) fell below the Statistics Canada low income cut-off, although they had been above it in 1993.** Meanwhile, 94,000 (2.8%) were able to climb above the cut-off level. Another 252,000 individuals (7.5%) had incomes below the cut-off line in both years. Women, children and youth 16 to 25 were most susceptible to bouts of low income. *Source: Statistics Canada*

Health Care

- **Between 1975 and 1995, per capita health care expenditures in BC more than quadrupled, increasing from $552 to $2,643.** Canadian per capita spending on health care grew at an almost identical rate (from $528 to $2,515) during this period. Among the provinces, per capita spending on health care was highest in BC, Manitoba ($2,638) and Ontario ($2,633). It was lowest in Newfoundland ($2,244) and Nova Scotia ($2,264). Health care expenditures include spending by governments, workers' compensation boards, and the private sector.

  Source: SC, Canada Year Book 1999

- **Canadians spent $74.5 billion–just under ten percent of our GDP–on health care in 1995.** Hospital expenditures account for the biggest chunk of total spending (36%, or $26.5 billion), with other health care institutions making up an additional 10% ($7.3 billion). Physicians were paid $10.8 billion for their services, while other health care professionals earned $8.1 billion. Canadians spent $9.3 billion on prescription and non-prescription drugs and $12.6 billion on other related health expenses.

  During the last twenty years, the way in which health care dollars are spent has changed significantly. In 1975, just under half (45%) of all health expenditures were for hospital services. This had fallen to 36% by 1995. Canadians are spending proportionally more on drugs (12%, up from 9%), and health care professionals other than physicians (11%, up from 9%). Spending on other types of health care has also increased substantially (17%, up from 13%). Doctors' services account for about the same percentage of health care dollars as in 1975 (15%), while spending at institutions has increased marginally (10%, up from 9%). *Source: SC, Canada Year Book 1999*

- **Canadians born in 1993 were four times as likely to die as a result of injury or poisoning (55.5 per 1,000) as they were to be killed in a motor vehicle accident (12.5).** An international comparison of causes of death among selected countries shows that residents of the UK were the least likely to be killed in a motor vehicle accident (6.9 per 1,000 at birth) or by injury or poisoning (33.5). Those living in Mexico and Greece (24.4) had the highest likelihood of succumbing as a result of motor vehicle accidents. Mexicans were also the most likely to die as a result of injury or poisoning (104.4). Rates in the US were 16.1 and 64.6, respectively.

  Source: SC, Canada Year Book 1999

The Environment

- **In 1994, provincial and local governments in BC spent $685 million on pollution abatement measures.** Eighty percent of those expenditures were for sewage ($380.4 million) and waste ($180.2 million) collection and disposal. Other environmental services accounted for the remaining twenty percent. *Source: SC, Canada Year Book 1999*

- **Among major centres, Vancouver and St John's, Newfoundland are the Canadian cities with the highest air quality.** In 1995, the air quality index in both cities was high on 357 days of the year. This is consistent with the pattern observed in previous years. The lowest number of "good air quality" days in Vancouver since 1990 was in 1991, when there were only 319 days when the air quality index was high. Toronto (169), Hamilton (184), and Calgary (219) were the cities with the poorest air quality in 1995. The air quality index measures levels of sulfur dioxide, nitrogen dioxide, carbon monoxide, ozone and suspended particulates.

  Source: SC, Canada Year Book 1999

highlights, Issue 98-40
October 9, 1998

For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

October 9, 1998

Infoline Report:

No ignoring Chinese Presence on World Trading Scene

Contact: George Dufour (250) 387-0376

Originally published in July 1998 issue of *Exports*. Annual subscription is $60 + GST

Hon. Mike Farnworth, Minister of Employment and Investment leaves Saturday, October 10 on a trip that will take him to Singapore, South Korea, Japan and China.

On October 21, Premier Glen Clark will lead a delegation of business representatives to China and Hong Kong.

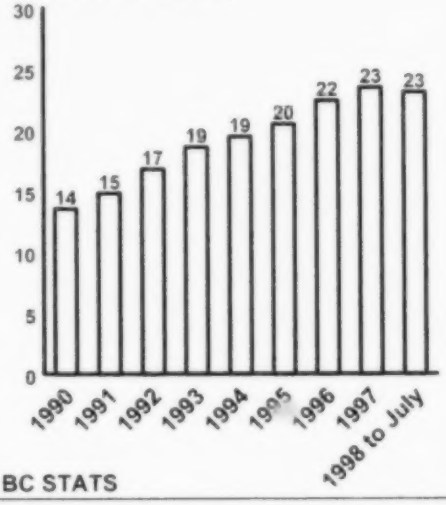
The Editor

During the 1990s China has finally begun to realise some of its enormous potential as a world trader. Its emergence from the isolation induced by Chairman Mao's heavy emphasis on self-reliance has produced changes in trading patterns around the globe. Countries (and provinces) that rely on international trade for their prosperity and growth have begun to feel China's immense and still growing presence in world markets.

Recent economic difficulties in Asia may slow China's economic growth for a time, but they are unlikely to prevent its emergence as the second and perhaps eventually the first economic power in Asia.

China the Up & Coming Source for Imports From Asia

(% of Canadian imports from Asia sourced in China)



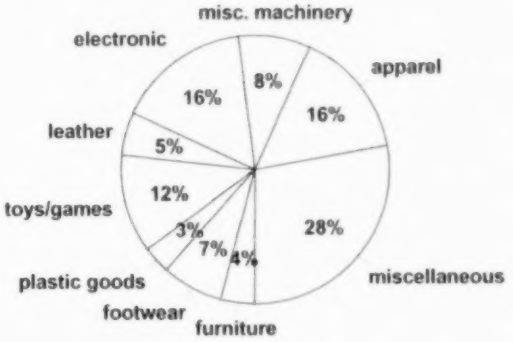
BC STATS

As China began the process of industrialisation, its exports have been mainly the labour intensive, low to medium technology products associated with developing nations. This is reflected in world trading patterns for these products.

The Chinese share of 1996 total world exports of toys, games, and sporting goods was 40 per cent. It produced 20 per cent of world apparel product exports, 16 per cent of textile exports and 33 per cent of world footwear exports. These export markets were gained partly at the expense of other newly industrialising countries in the region producing the same products.

For Canada, the flood of Chinese goods onto world markets has meant more choice and lower prices than might have otherwise

Canadian 1997 Imports From China (including Hong Kong)



BC STATS

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, BC V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca

been possible. Chinese made goods accounted for 32 per cent of all Canadian apparel imports in 1997, 42 per cent of footwear imports, 58 per cent of other leather goods, 8 per cent of furniture and 11 per cent of ceramic products. These ratios are based on the dollar value of imports, rather than volume in unit, pairs, dozens, or whatever. Because Chinese origin imports are likely concentrated at the low price range of these markets, the value based ratios probably understate the presence of 'made in China' labels on Canadian store shelves.

Although Canadian imports from China are mainly low technology products, this is changing in the 1990s. For example, Canadian imports from China of computer products rose from $51 million in 1990 to $352 in 1997. Imports of other electrical and electronic products rose from $305 million to $1,238 million.

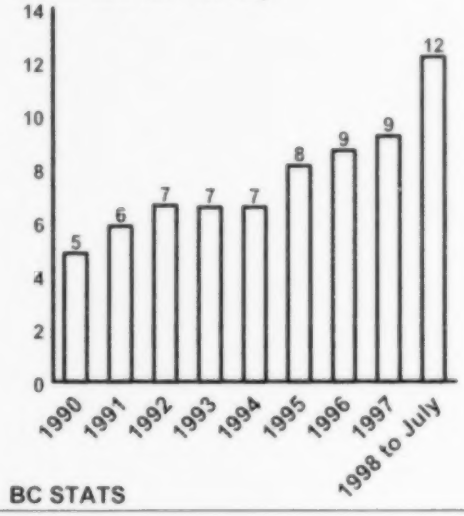
The success of Chinese export industries has produced growing demand for imported raw materials. Canada, and especially British Columbia, have been well positioned to fill this demand. To a lesser extent, British Columbia and other provinces have also benefited from increased demand for industrial equipment needed to expand Chinese production.

Affluence created in China by the success of its export industries has produced new export markets for consumer goods. For British Columbia this has already presented export opportunities for food products such as ginseng, geoducks (a type of clam) and edible oils.

These developments have been slowly increasing the importance of China as a trading partner for British Columbia. The portion of total provincial exports destined for China (including Hong Kong) has expanded from 1.7 per cent in 1990, to 3.0 per cent in 1997. This was produced through a 75 per cent increase in the value of shipments to China.

While the present economic disorder in Asia has slowed exports to China, there is little doubt that trade will continue to grow over the long term. China has so far been less affected by the crisis than many other Asian economies, as this is reflected by the relatively small drop in its trade with British Columbia. British Columbia exports to China were down 20 per cent in July year to date from the same period in 1997. While this is a severe drop, it was considerably less than the export drops of 35 per cent to Japan, 34 per cent to South Korea, and 47 per cent to ASEAN countries. Taiwan, which has so far reported to have weathered the trade crisis relatively well, is the only important Asian market in which British Columbia exports have stood up better than in China.

China Becoming More Important Destination For BC Exports



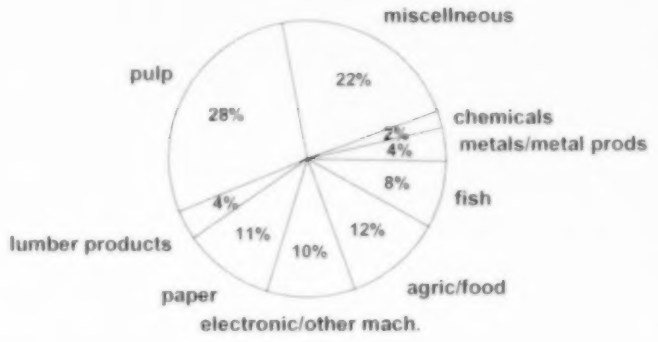
As Asia eventually moves beyond its economic crisis, and its import trade is again on the upswing, some of the biggest potential gains to be made will be in China. For British Columbia, an important challenge will be to build on the steps already taken to increase variety and value added content of its exports to China. The province will enjoy a special advantage in achieving these objectives from the large numbers of Chinese business people who have recently settled here.

British Columbia's 1997 exports to China amounted to $799 million dollars, up from $291

million in 1990. Some $312 million of the 1997 total was in pulp and paper products, with much of the remainder in other resource commodities. However, it also included a substantial range of products that were not resource based.

There were, for example, shipments of radio transmission equipment amounting to $29 million dollars, $6 million of organic chemicals, and $9 million of plastic products. Exports of these goods are still relatively small in relation to resource exports, but they hint at potential for much bigger commerce that could develop as China continues to emerge as the world's newest trading giant.

B.C. 1997 Exports to China (including Hong Kong)



BC STATS

Add some *depth* to your understanding of the BC economy

BC STATS publishes a diverse range of periodicals designed to provide both information and insight into the British Columbia economy. Individual copies and paper subscriptions are available as well as a "blanket" subscription to electronic versions on our Internet site. Electronic access provides tremendous savings and quicker access. If you wish to view sample reports, from our home page choose "Services and Products". Then choose "About our printed reports". Our site is at:

http://www.bcstats.gov.bc.ca

To learn more or to order an item, contact

Kris Ovens at tel (250) 387-0359 / fax (250) 387-0380 / e-mail Kris.Ovens@gems7.gov.bc.ca

Infoline

October 9, 1998

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/98	% change on one year ago
BC	4,014.3	1.3
Canada	30,300.4	1.0
GDP and INCOME		% change on
(BC - at market prices)	1997	one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jul	2,758	-5.8
Merchandise Exports (raw) Jul	2,149	-7.7
Retail Sales (seasonally adjusted) Jul	2,794	0.5
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Aug '98	one year ago
BC	110.4	0.4
Canada	108.8	0.8
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Sep '98	one year ago
Labour Force - BC	2,044	0.6
Employed - BC	1,875	1.4
Unemployed - BC	169	-7.5
		Sep '97
Unemployment Rate - BC *(percent)*	8.3	9.0
Unemployment Rate - Canada *(percent)*	8.3	9.0
INTEREST RATES (percent)	Oct 7/98	Oct 8/97
Prime Business Rate	7.00	5.25
Conventional Mortgages - 1 year	6.50	5.65
- 5 year	6.75	6.70
US/CANADA EXCHANGE RATE	Oct 7/98	Oct 8/97
(avg. noon spot rate) Cdn $	1.5288	1.3724
US $ *(reciprocal of above rate)*	0.6541	0.7287
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	Jul '98	one year ago
BC	623.77	0.9
Canada	610.76	1.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

Released this week by BC STATS

- No subscription releases

Next week

- Labour Force Statistics, September 1998

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca